

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE MEETING
July 16, 2014
5th Floor Conference Room
MINUTES

Committee Members Present: Gordon Smith, Chris Pelly, Cecil Bothwell

Staff Present: Jeff Staudinger, Shannon Capezzali, Tara Irby, Stephanie Monson, Nikki Reid, Sam Powers, Jannice Ashley, Blake Esselstyn, Marvin Feinblatt, Jon Fillman

1. Minutes – The meeting minutes from May 20th were approved.
2. Updates
 - a. East of the Riverway: Jeff Staudinger provided an overview of the TIGER II grant completion. Grant support has ended but activities in the area continue, including the Alternatives to Gentrification study. The final public meeting was held on June 26, 2014.
 - b. Eagle Market Place: Jeff Staudinger provided an update on the Eagle Market Place project which is under construction. Vertical concrete is being installed and the slab is being poured. Underground storage tanks were uncovered; limited contamination was found and the tanks were removed. Staff continue to carefully monitor construction progress in light of deadlines.
 - c. HOME Funds: The Housing Assistance Corporation's (HAC) "Rosebay" project rezoning request was rejected by the Henderson County Board of Commissioners, despite a large turnout attending the County Commissioner meeting in support of the project. HAC is now looking for a new site, but the \$425,000 in Housing Trust Funds is available for reallocation. The ARHC may decide to fully fund existing projects or to fund a project proposed by a CHDO – either HAC or Mountain Housing Opportunities. A substantial amendment to the Action Plan will be required.
 - d. Affordable Housing Advisory Committee (AHAC): AHAC is scheduled to meet in early August to discuss the findings of its stakeholder engagement process and to develop a work plan for the coming year. The Downtown Commission voted to endorse the five recommendations made by AHAC.
 - e. City Restructuring: The Community Development Division has been moved into the new Community and Economic Development Department. Sam Powers is the Department Director and Jeff Staudinger is the Assistant Department Director. The department will be hiring a new Community Development Manager who will work with HOME, CDBG, and HTF activities. Jeff Staudinger will continue to be the point person for the HCD Committee.
 - f. Housing Trust Fund: Jeff Staudinger provided an overview of the Housing Trust Fund report. New allocations for the upcoming year will be provided at the next HCD meeting. Commitments are pending for many projects which are dependent on their tax credit applications.

3. New Business

- a. Alternatives to Gentrification: Stephanie Monson provided an overview of the Alternatives to Gentrification report including report findings and next steps. The purpose of the report was to address concerns by the community that gentrification was occurring in the area, and data from the study would assist the City in framing its policy issues. The report showed that the data confirms what the community has been saying in regards to the gentrification of the area: Real estate values are up and the African American population is dropping, but incomes have not significantly risen. 98% of the area's jobs are held by people that do not live in the immediate area. The report recommends that the City focus on four policy areas: Affordable housing; Increased artist space; Resource development/funding; Stewardship of community wealth. Options for permanent affordability, such as a Community Land Trust, were discussed. Staff recommended that the HCD Committee receive this report, and if approved, staff would make it available for public viewing. Staff also requested direction from the Committee for what approaches or policy recommendations they would like to investigate more closely.

Members:

1. Requested information about the nature of tangible results in other places.
2. Indicated that options for institutional partnerships exist, such as through employer-sponsored affordable housing for its own employees. The City can combine its policy solutions with its housing creation targets based on an assessment of market demand.
3. Supported exploration of the community land trust option as well as Elder co-housing, artist live-work options, and green space in the public housing neighborhoods near the River Arts District. Projects in the East of the Riverway area could be given preference when doing HTF and HOME allocations. Staff was asked whether Public Art and Acquisition funds could be reallocated for asset mapping.
4. Jeff Staudinger explained the purpose of the TIGER 6 Transportation grant which would allow the build out of the Wilma Dykeman Riverway and connecting greenways as a contributor to the areas economic and community development by creating multimodal pathways to jobs in the community. The award will be announced in October. Members reflected that one downside to this investment in the area may be an increase in gentrification.
5. Members asked for clarification about the location of proposed Municipal Service Districts. Stephanie Monson provided an overview of the MSD's being planned including a section of the south slope, parks maintenance facility, Lee Walker Heights, and all of the RADTIP study area. Staff will provide updates at the next HCD meeting.

6. Bothwell made a motion to approve the release of the report to the public. Seconded by Smith. The motion passed unanimously.
 - b. Housing Density in Commercial Districts: Blake Esselstyn reviewed the proposed units per acre and the alternative proposal for housing density increases in commercial districts. Increased density could have a significant impact on affordable housing. Staff have been analyzing the potential effect of different density scenarios. Review of the UDO changes by P&Z are scheduled for September with Council consideration in October. Staff will do testing with developers to determine if the incentives are sufficient to achieve the City's objectives.
 1. Cecil Bothwell asked whether housing projects could restrict people to not own cars in order to promote more multi-modal forms of transportation. The Committee discussed parking options.
 2. The proposal appears to cap affordable housing at 10%. Staff should reconsider this target.
 3. Staff will provide the Committee with a copy of the map from the P&Z report showing how much zoning will be affected by this UDO change.
 - c. Foreclosure actions: Shannon Capezzali provided an overview of the upcoming foreclosure on 600 Skyloft Drive which the City has Housing Trust Funds invested in as a deferred second mortgage in the amount of \$30,000 to the homeowner. Staff sought guidance from the HCD Committee regarding whether the City should bid at the auction in order to protect its investment through the eventual resale of the property.
 1. A motion was made by Cecil Bothwell to approve bidding at the auction up to a maximum bid of \$130,000. Seconded by Chris Pelly. The motion passed unanimously.
 - d. Upcoming meeting subjects:
 1. Housing Trust Fund policies periodic review
 2. Review of Fee Rebate policies
 3. Defining 'housing affordability.' There are numerous definitions based on the different types of grant/loan programs and funded activities.
 4. Housing Market Analysis
 5. Tiny-homes
 6. Food Action Plan update, metrics
 7. Five Year Consolidated Plan to guide the use of HUD funds through 2020
- 4. The next meeting of the HCD Committee will be August 19, 2014 at 9:00am in the 5th Floor Conference Room of Asheville City Hall.**